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Attorney General Ford, 24 States Urge Treasury Department to Protect Stimulus Funds from Creditors

Carson City, NV – Nevada Attorney General Aaron D. Ford called on the U.S. Department of the Treasury to take immediate action to ensure billions of dollars in emergency stimulus payments authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) go to American families and not debt collectors. Three weeks ago, Congress passed the CARES Act to provide direct and immediate economic relief to all individuals and businesses affected by the Coronavirus disease 2019 (COVID-19) public health crisis. But, unlike other government programs, the CARES Act does not explicitly designate these emergency stimulus payments as exempt from garnishment from creditors. In a [letter](#) to Treasury Secretary Steven Mnuchin, the coalition asks the agency to protect CARES Act funds, like other government relief programs, and ensure funds go where they were originally intended. AG Ford is joined a bipartisan coalition of 25 attorneys general in this action.

"In this unprecedented time, emergency stimulus payments should help hard-working Americans," **said AG Ford**. "Families should not have to worry whether creditors or debt collectors will garnish their check. Congress intended this funding to help keep Americans afloat during this economic crisis."

The CARES Act authorizes the Department of the Treasury to issue emergency stimulus payments of up to \$1,200 for eligible adults and up to \$500 for eligible children. Similar government relief programs intended to provide for Americans' essential needs like Social Security, disability and veterans' payments are all statutorily exempt from garnishment, a legal mechanism that typically involves the "freezing" of funds in a bank account by creditors or debt collectors. However, in what was a likely oversight by Congress to pass the law quickly, the CARES Act does not explicitly designate these

emergency stimulus payments as exempt from garnishment, allowing debt collectors to potentially benefit before consumers.

In their letter to Secretary Mnuchin, the attorneys general urge the secretary to use his authority under the CARES Act to stave off economic uncertainty for millions by immediately issuing regulation or guidance explicitly designating CARES Act “benefit payments” as funds that are exempt from garnishment.

“During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment,” the attorneys general write. Continuing, “Treasury has stated that ‘in the weeks immediately after the passage of the CARES Act, Americans will see fast and direct relief in the form of Economic Impact Payments,’ and we request Treasury’s assistance in ensuring Americans are able to retain that monetary relief.”

In addition to Nevada, other states participating in this letter include: California, Colorado, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, Washington and Wisconsin, as well as the Hawaii Office of Consumer Protection.

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